

ASSEMBLY BILL

No. 2043

Introduced by Assembly Member Torrico

February 17, 2010

An act to amend Sections 33020 and 33021 of, and to add Section 33137 to, the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 2043, as introduced, Torrico. Redevelopment funds: mortgage assistance.

The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities in order to address the effects of blight, as defined, in those communities and requires those agencies to prepare, or cause to be prepared, and approve a redevelopment plan for each project area. Existing law authorizes the agency use of tax increment financing for redevelopment projects and for the repayment of redevelopment agency debts.

This bill would redefine the term “redevelopment” to include the provision of loan assistance to qualified homeowners participating in the federal Home Affordable Modification Program. The bill would authorize a redevelopment agency to use redevelopment funds to issue loans, up to a maximum of \$75,000, to reduce the principal mortgage balance of a borrower that has received a mortgage modification under the federal Home Affordable Modification Program and meets other specified requirements.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 33020 of the Health and Safety Code is amended to read:

33020. "Redevelopment" means the planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation, or any combination of these, of all or part of a survey area, ~~and~~ the provision of those residential, commercial, industrial, public, or other structures or spaces as may be appropriate or necessary in the interest of the general welfare, including recreational and other facilities incidental or appurtenant to them, *the provision of assistance to qualified homeowners under Section 33137* and payments to school and community college districts in the fiscal years specified in Sections 33681, 33681.5, 33681.7, 33681.9, and 33681.12.

SEC. 2. Section 33021 of the Health and Safety Code is amended to read:

33021. Redevelopment includes:

(a) The alteration, improvement, modernization, reconstruction, or rehabilitation, or any combination of these, of existing structures in a project area.

(b) Provision for open-space types of use, such as streets and other public grounds and space around buildings, and public or private buildings, structures and improvements, and improvements of public or private recreation areas and other public grounds.

(c) The replanning or redesign or original development of undeveloped areas as to which either of the following conditions exist.

(1) The areas are stagnant or improperly utilized because of defective or inadequate street layout, faulty lot layout in relation to size, shape, accessibility, or usefulness, or for other causes.

(2) The areas require replanning and land assembly for reclamation or development in the interest of the general welfare because of widely scattered ownership, tax delinquency, or other reasons.

(d) *Issuance of loans to reduce the principal balance on the mortgages of qualified homeowners participating in the federal Home Affordable Modification Program.*

SEC. 3. Section 33137 is added to the Health and Safety Code, to read:

1 33137. An agency may use redevelopment funds to issue loans
2 to reduce the principal mortgage balance of a qualified borrower
3 who has received a mortgage modification under the federal Home
4 Affordable Modification Program and has a mortgage payment
5 that exceeds 31 percent of gross income. Loans issued pursuant
6 to this section shall be limited to seventy-five thousand dollars
7 (\$75,000).

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